

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6108**

A bill to amend 2000 PA 146, entitled
"Obsolete property rehabilitation act,"
by amending section 8 (MCL 125.2788).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) If the taxable value of the property proposed to
2 be exempt pursuant to an application under consideration,
3 considered together with the aggregate taxable value of property
4 exempt under certificates previously granted and currently in force
5 under this act or under 1974 PA 198, MCL 207.551 to 207.572,
6 exceeds 5% of the taxable value of the qualified local governmental
7 unit, the legislative body of the qualified local governmental unit
8 shall make a separate finding and shall include a statement in its
9 resolution approving the application that exceeding that amount

1 shall not have the effect of substantially impeding the operation
2 of the qualified local governmental unit or impairing the financial
3 soundness of an affected taxing unit.

4 (2) The legislative body of the qualified local governmental
5 unit shall not approve an application for an obsolete property
6 exemption certificate unless the applicant complies with all of the
7 following requirements:

8 (a) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), THE**
9 commencement of the rehabilitation of the facility does not occur
10 before the establishment of the obsolete property rehabilitation
11 district.

12 (b) The application relates to a rehabilitation program that
13 when completed constitutes a rehabilitated facility within the
14 meaning of this act and that shall be situated within an obsolete
15 property rehabilitation district established in a qualified local
16 governmental unit eligible under this act to establish such a
17 district.

18 (c) Completion of the rehabilitated facility is calculated to,
19 and will at the time of issuance of the certificate have the
20 reasonable likelihood to, increase commercial activity, create
21 employment, retain employment, prevent a loss of employment,
22 revitalize urban areas, or increase the number of residents in the
23 community in which the facility is situated.

24 (d) The applicant states, in writing, that the rehabilitation
25 of the facility would not be undertaken without the applicant's
26 receipt of the exemption certificate.

27 (e) The applicant is not delinquent in the payment of any

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1 taxes related to the facility.

2 (3) THE LEGISLATIVE BODY OF A QUALIFIED LOCAL GOVERNMENTAL
3 UNIT MAY APPROVE AN APPLICATION FOR AN OBSOLETE PROPERTY EXEMPTION
4 CERTIFICATE IF THE COMMENCEMENT OF THE REHABILITATION OF THE
5 FACILITY OCCURS BEFORE THE ESTABLISHMENT OF THE OBSOLETE PROPERTY
6 REHABILITATION DISTRICT AND IF 1 OR MORE OF THE FOLLOWING ARE MET:

7 (A) ALL OF THE FOLLOWING ARE MET:

8 (i) THE BUILDING PERMIT FOR THE REHABILITATION OF THE FACILITY
9 WAS OBTAINED IN OCTOBER 2002.

10 << (ii) THE OBSOLETE PROPERTY REHABILITATION DISTRICT WAS
11 CREATED IN APRIL 2002. >>

12 (iii) THE REHABILITATION OF THE FACILITY INCLUDED ADDING
13 ADDITIONAL STORIES TO THE FACILITY.

14 (B) ALL OF THE FOLLOWING ARE MET:

15 (i) EMERGENCY OR TEMPORARY REPAIRS OR IMPROVEMENTS WERE MADE
16 BEFORE THE ESTABLISHMENT OF THE OBSOLETE PROPERTY REHABILITATION
17 DISTRICT.

18 << (ii) THE OBSOLETE PROPERTY REHABILITATION DISTRICT WAS
19 CREATED IN JANUARY 2006. >>

20 (iii) THE FACILITY IS LOCATED IN A CITY WITH A POPULATION OF
21 MORE THAN 20,500 AND LESS THAN 27,000 AND IS LOCATED IN A COUNTY
22 WITH A POPULATION OF MORE THAN 95,000 AND LESS THAN 105,000.

<< (4) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, FOR ANY
CERTIFICATE ISSUED AS A RESULT OF THE ENACTMENT OF THE AMENDATORY ACT
THAT ADDED SUBSECTION (3), THE EFFECTIVE DATE OF THE CERTIFICATE SHALL BE
DECEMBER 31, 2006.>>